

Utah Incentives and Laws

Last Updated February 2005

State Incentives

High Occupancy Vehicles (HOV) Lane Exemption

Vehicles with clean-fuel group license plates are authorized to travel in HOV lanes regardless of the number of occupants, to the extent authorized or permitted by federal law or federal regulation. The clean-fuel plate may be purchased for \$10 from any Motor Vehicle Division office by presenting a clean special fuel certificate. This incentive expires December 31, 2010. (Reference [Utah Code](#) 41-1a-1211, 41-6-53.5, and 63-55-241 and [House Bill](#) 96, 2005)

Point of Contact

Utah State Tax Commission Motor Vehicle Division
Phone (800) DMV-UTAH or (801) 297-7780
<http://dmv.utah.gov/licensespecialplates.html>

Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Grants and Loans

The Utah Clean-Fuels Grant and Loan Program provides grants worth up to 50% of the cost of converting a vehicle to operate on a clean-fuel (\$2,500 maximum) and/or up to 50% of the incremental cost of purchasing an Original Equipment Manufacturer (OEM) alternative fuel vehicle (AFV) (\$3,000 maximum) minus the amount of any tax credit claimed under Utah Code 59-7-605 or 59-10-127. Through the Clean-Fuels Grant and Loan Program, the Utah Department of Environmental Quality is also authorized to provide loans for the cost of converting a vehicle to operate on a clean-fuel, for the purchase of OEM AFV, and for the purchase of refueling equipment for public/private sector business and government vehicles. However, the Loan program has been put on hold. Bi-fuel vehicles must operate on the clean-fuel at least 70% of vehicle miles traveled beginning at the time of conversion or purchase of the vehicle. Hybrid electric vehicles are not eligible for loans or grants under this program. (Reference [Utah Code](#) 63-34-202 to 63-34-204, [House Bill](#) 96, 2005, and [Senate Bill](#) 199, 2005)

Alternative Fuel Vehicle (AFV) Tax Credit

The state provides an income tax credit for 50% of the incremental cost (\$3,000 maximum) of a clean-fuel vehicle built by an Original Equipment Manufacturer (OEM) and/or an income tax credit for 50% of the cost (\$2,500 maximum) of the after-market conversion of vehicles purchased after January 1, 2001 and registered in Utah. If not previously used, the tax credit on used vehicles may be claimed. Tax credits are available for businesses and individuals and may be carried forward up to five years. Tax credits are not available for electric hybrid vehicles, except the Honda Civic hybrid. Documentation must be provided as described in the Utah state tax form TC-40V. This incentive expires December 31, 2010. For taxable years beginning on or after January 1, 2006, a taxpayer may not claim a tax credit under this section with respect to a hybrid electric vehicle. (Reference [Utah Code](#) 59-7-605 and 59-10-127 and [House Bill](#) 96, 2005)

Point of Contact

Ran Macdonald
Environmental Engineer
Utah Department of Environmental Quality, Division of Air Quality
Phone (801) 536-4071
Fax (801) 536-0085
rmacdonald@utah.gov

State Laws and Regulations

Alternative Fuels Tax

Owners of alternative fuel vehicles that use an alternative fuel, including propane, compressed natural gas (CNG) and electricity, are required to pay a clean special fuel tax by annually purchasing a Clean Special Fuel Certificate. This Certificate can be obtained at vehicle registration or may be purchased at any time if not purchased at vehicle registration: \$82 annually for a vehicle with two axles up to 26,000 pounds (lbs.) Gross Vehicle Weight Rating (GVWR) and \$126 annually for a vehicle with three axles or over 26,000 lbs. GVWR. Governmental entities that own or lease an alternative fuel vehicle are exempt from the clean special fuel tax. (Reference [Utah Code](#) 59-13-304)

Point of Contact

Utah State Tax Commission Motor Vehicle Division
Phone (800) DMV-UTAH or (801) 297-7780
<http://dmv.utah.gov/licensespecialplates.html>

Provision for Establishment of Alternative Fuel Use Mandate

The Utah Air Quality Board is authorized to mandate fleet vehicles to use clean-fuels, if such a mandate is necessary in order to meet national air quality standards. (Reference [Utah Code](#) 19-2-105.3)

Deregulation of Compressed Natural Gas (CNG) as a Motor Fuel

The distribution of CNG for use as a motor fuel has been deregulated. (Reference [Utah Code](#) 54-2-1)

Alternative Fuels Tax

The Revenue and Tax Code provides for a reduction of motor and special fuel taxes if the motor or special fuel is already taxed by the Navajo Nation. Agreements with the Navajo Nation related to administration of motor and special fuels taxes have been authorized. (Reference [Utah Code](#) 59-13-201, 59-13-204, and 59-13-301)

Point of Contact

Utah State Tax Commission
Phone (801) 297-2200
taxmaster@utah.gov

Low-Speed Vehicle Access to Roadways

Low-speed vehicles are allowed access to certain highways at speeds of not more than 25 miles per hour and are subject to comply with all federal and state motor vehicle regulations. However, low-speed vehicles are exempt from emission inspections. Golf carts are not considered low-speed vehicles. (Reference [Utah Code](#) 41-6-1 and 41-6-117.6)

Idle Reduction Requirement

In order to reduce PM₁₀ air pollution levels, the Salt Lake City-County Board of Health has adopted regulations governing a diesel vehicle emissions inspection and maintenance program. These regulations include idle reduction requirements for diesel vehicles. Specifically, an owner or operator of a diesel powered vehicle may not permit the vehicle to idle for more than 15 minutes. Vehicles may be exempted from these requirements under the following conditions: a) to supply power to a refrigeration unit to cool trailer contents, b) to provide heat or air conditioning to a sleeper unit of the vehicle, or c) emergency vehicles. However, exempted vehicles may not idle for more than 15 minutes

if located within 500 feet of any residence. (Reference [Salt Lake City-County Health Regulation](#) 28.6.8)

Utilities/Private Incentives

Alternative Fuels Credit

The Salt Lake City Department of Airports provides incentives to commercial ground transportation providers who purchase and operate clean-fuel vehicles exclusively using approved clean-fuels (as designated by State of Utah Statute 59-13-102). Eligible vehicles are those that operate on CNG, propane, hydrogen, electricity, or are hybrid electric. The incentives are in the form of a credit against ground transportation fees. Incentive credit amounts are \$2,500 for each Original Equipment Manufacturer (OEM) or certified vehicle converted to operate on an alternative fuel. (Reference Salt Lake City Department of Airports Clean-Fuel Policy Number 10.07.100)

Natural Gas Technical Assistance and Leased Vehicle and Refueling Equipment

Questar Gas offers technical assistance to customers wishing to convert vehicles to operate on CNG and will lease conversion and compression equipment. The company provides financial analysis and fleet consulting services for alternative fuel comparisons. Questar Gas operates 26 public and over 60 private CNG refueling stations in Utah and southwestern Wyoming.

Point of Contact

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Utah Points of Contact:

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| Beverly Miller | Utah Clean Cities Coalition | Clean Cities Coordinator | (801) 535-7736 | (801) 535-6331 | beverly.miller@slcgov.com |
| Ernie Oakes | U.S. Department of Energy, Central Regional Office | Clean Cities Regional Project Manager | (303) 275-4817 | (303) 275-4830 | ernie.oakes@ee.doe.gov |
| Ran Macdonald | Utah Department of Environmental Quality, Division of Air Quality | Environmental Engineer | (801) 536-4071 | (801) 536-0085 | rmacdonald@utah.gov |
| Lorin Rollins | Salt Lake City Department of Airports | Accountant | (801) 575-2396 | (801) 575-2817 | lorin.rollins@slcgov.com |

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| Gordon Larsen | Questar Gas | Natural Gas Vehicle Supervisor | (801) 324-3651 | (801) 324-3300 | gordon.larsen@questar.com |
| Doug Anderson | Utah Department of Transportation | Project Manger, Research | (801) 965-4377 | (801) 965-4796 | dianderson@utah.gov |
| | Utah State Tax Commission Motor Vehicle Division | | (800) DMV-UTAH or (801) 297-7780 | | — |
| | Utah State Tax Commission | | (801) 297-2200 | | taxmaster@utah.gov |
| Linda Walters | U.S. Environmental Protection Agency | Pollution Prevention Coordinator, Region 8 | (303) 312-6385 | (303) 312-6044 | walters.linda@epa.gov |
| Robert O'Loughlin | Federal Highway Administration, Resource Center | Air Quality Specialist | (415) 744-3823 | (415) 744-2620 | robert.o'loughlin@fhwa.dot.gov |
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